GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:140
ANSWERED ON:28.11.2000
EXPENDITURE OF SAIL
RUDRAGOUDA PATIL;UMMAREDDY VENKATESWARLU

Will the Minister of STEEL be pleased to state:

(a) the expenditure incurred on the publicity, meetings and tours in SAIL during the last three years, Unit wise;

(b) the steps taken or proposed to be taken to reduce the expenditure;

(c) whether profit of SAIL has decreased during 1999-2000;

(d) if so, the reasons therefor; and

(e) the steps taken by the Government to arrest the loss of SAIL during 2000-2001 and make the SAIL a profitable venture?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO.140 FOR 28-11-200
PROF.UMMAREDDY VENKATESWARLU AND SHRI R.S.PATIL REGARDING EXPENDITURE OF SAIL.

(a) The expenditure incurred by SAIL on publicity, meeting and tours during last three years is as under:

(Rs. in crores)

Plants/Units	1997-98	1998-99	1999-2000
BSP	8.15	6.55	9.43
DSP	2.80	1.72	1.51
RSP	4.55	3.56	4.62
BSL	4.29	3.26	2.97
ASP	1.38	1.30	1.96
SSP	1.84	1.50	1.29
RMD	3.05	2.31	2.29
VISL	-	0.60	0.49
OTHER UNITS	22.28	17.28	14.80
SAIL	48.34	38.08	39.36

(b) SAIL has taken a number of austerity measures which inter-alia include reduction in publicity expenses, judicious use of telecommunication facilities, reduction in inventory, implementation of Voluntary Retirement Scheme(VRS).

(c) & (d): Yes, Sir. Main reason for the loss is sluggish demand due to recessionary conditions in most of the steel consuming industries resulting in lower sales realisation, coupled with higher depreciation and interest.

(e) Government has recently approved a plan for the business and financial restructuring of SAIL, with a view to increase its competitiveness and to turn the company on to a path of profitability.